80-2629

3 December 1980

| MFMORANDUM    | FOR   | THE | R | FC0! | RD |
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SUBJECT: Conversation with the Secretary of State,
2 December 1980

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1. There was reference to a NEW YORK TIMES article today about changing Executive Order 12036 on the DCI's budget authority.

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2. I then presented our paper on the hostages that I had sent to the President this morning. The Secretary took strong exception to it. There was virtually no way I could get across to him that there was a difference between what we had proposed to him on 6 November and were now reproposing and what they had in fact done. He contends that they did not send the Iranians any detailed accounting of what they could and could not do. (I thought I had been informed that the Algerians had asked for and obtained permission to take all of that detail with them to Iran--he expressly denied this.) Where he really hangs up with our scheme is the insistence by the Majlis that we carry out our terms of the agreement before the hostages are released or that they be released piecemeal as we do that. He therefore feels that if we give them a generalized statement rather than the kind they did, with amplification on what could and could not be carried out of the terms of the Majlis, it wouldn't make any difference because they would catch us in the implementation phase and hold back hostages when they found we hadn't produced absolutely everything in the demands of the Majlis. I told him that if there was a will to solve this problem in Iran I thought there might be a way to work around that; specifically, the government could take responsibility for settling this issue on the basis of our generalized statement. Then if, when the Algerians produce what we had given them in escrow as supposed complete fulfillment of the terms of the Majlis, it turned out to be less than the Iranians felt was required by those terms, the Iranian politicians could blame the United States. In short, on the Iranian domestic scene they would have a position in advance of the release that we had agreed in a generalized statement to the full terms of the Majlis and then the domestic excuse afterwards that we welshed on them.

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All in all, this got nowhere and, in fact, got rather heated. The Secretary then indicated that the new paper taken by Christopher was more positive and tried to eliminate anything negative in its statement. I asked for a copy of this; there was some fudging on this, but Ron Spiers thought maybe he could get us one. The Secretary clearly said that it was all right for me to have it, though he was temporizing about waiting until Christopher came home.

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The ball is really in our court now. I would like to proceed to develop our proposal from the memo to the President of this morning a little more specifically on the assumption that the Christopher mission fails. I found no sentiment in Muskie that there was any hope that it would bring home the hostages. Instead, they feel they are buying time here in staving off any possible trials of the hostages, plus hoping that over time the Iranians will become more desperate.

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3. Ron Spiers raised the issue of the Nicaraguan NID article. I told him I thought it still did not categorically say that the Nicaraguan government was participating in these activities, and that that was the best I could do. The evidence was too numerous that something was going on which involves a lot of people high in the junta, if not the government.

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STANSFIELD TURNER Director

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